THE HON'BLE SRI JUSTICE R.SUBHASH REDDY

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WRIT PETITON No.4413 of 2006

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Dated: 10.03.2006

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Between:

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A.P. Electrical Equipment Corporation ,

presently known as ECE Industries Limited (meter Division),

Ashok Marg, Sanathnaar, Hyderabad-18,

rep., by its vice President, Mr.B.L.Puohit,

S/o late Shivpratap Purohit.

… **PETITIONER**

And :

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Employees Insurance Court-cum-Industrial Tribunal-I,

Rep., by its Chairman, Chandravihar, Exhibition Grounds Road,

Hyderabad and others.

RESPONDENTS

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THE HON'BLE SRI JUSTICE R.SUBHASH REDDY

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WRIT PETITON No. 4413 of 2006

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ORDER:

Petitioner, a Public Limited Company, filed this writ petition questioning the order, dated 15.02.2006, passed in I.A.No.38 of 2006 in EIC (SR) No.402 of 2006, before the Employees Insurance Court and Chairman, Industrial Tribunal-I, Hyderabad.

Against the demand of an amount of Rs.57,54,296/-, the petitioner has raised a dispute before the Insurance Court-cum-Industrial Tribunal. As per Section 75(2-B) of the Employees State Insurance Act (for short "the Act"), there is a pre-condition for deposit of fifty percent of the amount to entertain such a dispute by the Court. There is also a provision, which empowers the Court either to waive the said requirement of deposit or to reduce the amount to be deposited. Before the Insurance Court, the petitioner has filed I.A.No.38 of 2006 to waive the condition of depositing of fifty percent of the amount and it has categorically pleaded that there is a financial crisis in view of the slump in the business of the petitioner. It is further stated in the affidavit that the petitioner is prepared to give bank guarantee to a part of the amount, if necessary. But, the Court below has passed the impugned order to deposit ¼th of the amount demanded, which approximately comes to Rs.14,38,000/-.

It is submitted by Sri V.Srinivas, the learned counsel for the petitioner, that in view of the financial crisis, the petitioner company is unable to make the deposit in cash and seeks permission to furnish the bank guarantee.

On the other hand, it is submitted by Sri R.N.Reddy, learned counsel for the respondents that the impugned order is a discretionary order and there is no provision for giving bank guarantee.

On a reading of the above proviso, it is clear that the Court is empowered to waive the pre-condition itself or to reduce the amount in appropriate cases.

Having regard to the financial crisis pleaded by the petitioner on the ground that its manufactured items are outdated and not being used by the various departments, I deem it appropriate to modify the impugned order by permitting the petitioner to deposit Rs.7,38,000/- and to give bank guarantee for a sum of Rs.7,00,000/-, within a period of four weeks from today. On compliance of the above said conditions, the Tribunal shall entertain the dispute, consider the same on merits

and pass appropriate orders.

With the above observation, the writ petition is disposed of. There shall be no order as to costs.

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10.03.2006

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